



PRESS RELEASE

Crow Nation and Australian-American Energy Company

Sign Agreement for Montana Energy Project

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Contact: John MacDonald
Gallatin Public Affairs
(406) 441-9100 or cell (406) 465-3558
jmacdonald@gallatinpublicaffairs.com

Sarah Elliott
Governor Brian Schweitzer
(406) 444-9725
selliott@mt.gov

CROW AGENCY, MONTANA – Governor Brian Schweitzer along with the Crow Tribe of Indians (Apsáalooke Nation) and Australian-American Energy Company LLC (AAEC) today announced agreements to develop a \$7 billion coal-to-liquids project on the Crow Reservation in southeastern Montana.

The Many Stars Project is initially targeted to convert 38,000 tons per day of coal into 50,000 barrels per day of ultra-clean diesel, jet fuel and naphtha. The project would provide up to 4,000 jobs during construction and 900 permanent jobs on the reservation after start up, which is expected in 2016.

Governor Schweitzer, who has long been an advocate of coal-to-liquid fuels technology, praised the project. He was introduced to AAEC at an international coal-to-liquids conference in New York during the summer of 2007 and invited the company to more closely assess Montana’s abundant resources. His administration has worked closely with both the Crow Nation and the company in helping make this project a reality.

“Montana is on the move,” said the Governor. “This will be one of the first clean-coal technology projects in the state and meets one of my goals of bringing new economic

More

Page 2

development to Montana. The Many Stars Project will also be a significant contributor to our nation's need for energy security and has the potential for providing superior military fuels to near-by bases."

Crow Chairman Carl Venne praised the project's positive impacts. "The Crow Nation has over 10 billion tons of coal resources," he said. "We made a decision to pursue this type of clean-coal project because it provides long-term economic and social benefits for our people for many generations to come. The Many Stars Project will help us become self-sufficient."

Venne noted that future plans with AAEC include expanding the CTL plant to 125,000 barrels per day. As part of the agreement, AAEC also will be assisting Little Big Horn College in creating needed training and educational programs to meet the human resource needs of the project. Additionally, discussions are underway with Montana State University and Idaho State University for education and training of the energy workforce that will be necessary for the project, Venne said.

Allan Blood, chairman of AAEC, said the agreements between the company and the Crow Nation are the result of many months of open discussions, collaborative planning and tough negotiations.

"We are pleased to be bringing our Australian experience in clean coal projects to Montana," Blood said. "The Many Stars project is important on so many levels. It provides good jobs in a part of Montana that needs them, it helps address U.S. dependence on foreign fuels and it will demonstrate this is a technology that can be used in a way that addresses environmental concerns."

Blood noted that the project design calls for capturing CO₂ for geo-sequestration and supply to enhanced-oil recovery projects to both provide an environmentally responsible project and further create additional energy opportunities in otherwise declining regional oil fields.

"With over 100 billion tons of coal resources in the state, Montana is the 'Saudi Arabia of Coal' and we are doing our part to help make energy security with clean fuels a reality," the governor added. "We anticipate this project being a model for clean-coal energy projects in Montana and the United States. We know we have a lot of work ahead of us, but this agreement today is an important first step."

Page 3

Under terms of the agreement announced today, the Crow Nation has committed coal and water resources for the project while AAEC will provide the development capital and project management. Both the Crow Nation, through its company Apsáalooke Energy Company LLC, and AAEC will participate in the board of directors of the project company.

“AAEC has assembled a remarkable team here in the U.S. with their key executives bringing an average of 30 years of experience managing energy projects world-wide,” Venne said.

Added Blood: “AAEC is committed to working closely with the Crow Nation, the State of Montana and the federal government to bring this important project to fruition.”

Venne said the Interior Department has been involved in the project since talks first began last year. Members of the Crow Nation also have met with representatives of the U.S. Department of Energy regarding the project, Venne said.

The documents the Crow Nation and AAEC signed today include an exploration agreement under which AAEC will spend 12 to 18 months to further evaluate the coal resources and select a final site for the mine and plant. AAEC has already completed its initial feasibility study for the coal-to-liquid fuels project and will begin the environmental permitting process later this year. Construction is expected to begin in 2012.

“The economic impact of this project cannot be overstated,” Venne added. “At the same time, it fits with our desire to use Crow resources efficiently and responsibly for our people.”

Apsáalooke Energy is a wholly owned company of the Crow Nation, which has 12,000 enrolled citizens and spans more than 2.2 million acres in southeastern Montana.

Australian-American Energy Company, LLC is a subsidiary of Australian Energy Company Limited (AEC), headquartered near Perth, Australia. AEC was the original developer of the APEL (now Monash) CTL Project in Victoria, Australia and is currently developing a \$2 billion clean-coal conversion project, the Latrobe Valley Urea Project, also in Victoria.

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